

I. City Hall Project

- The City Hall Project is an eight-story office building containing approximately 310,000 square feet. Parking will be provided on-site (47 spaces) and off-site (new parking garage at 500 Main Street).
- The building has been designed for approximately 570 employees, which is the estimated City Hall employee count in 2015.
- Forest City Enterprises, a developer headquartered in Cleveland, is developing the project for the city for a 5 percent fee. Forest City is contracting with Whiting-Turner under a GMP contract. Forest City must bear any cost overruns.
- The project cost is \$146,241,000, including hard costs (\$109,360,000), and soft costs (\$32,237,000). The soft costs include a 5 percent developer fee to Forest City (\$6,325,000) and furniture, fixtures & equipment of \$11,000,000.
- The city is not using cash to buy the land for City Hall, and instead is exchanging land in Symphony Park (parcel P-Q).

II. Funding for City Hall Project

- The city is using “Lease-Purchase” (Installment-Purchase) financing to get the lowest possible cost and flexible repayment terms. Certificates (or portions) of Participation (COPs) in the lease were sold to investors. The city will own the building at the end of the lease without any additional payment.
- The city is borrowing \$188.3M from investors through the COPs. These funds are used to fund the project cost (\$137M), and interest and reserves.
- The total project cost is \$146.2M. In addition to the \$137M in COPs proceeds, the city is using \$9M from Internal Service Funds and Capital Project Funds remaining from Phase 1 of Symphony Park.
- The payment terms allow the city to make no payment for FY10, FY11, and FY12. The payment in FY13 will be \$3.5M, and \$9.3M annually in FY14-FY16. From FY17 on, the payment will be \$13.4M annually.
- The Redevelopment Agency (RDA) entered into agreement with the city to repay, to the extent agency revenues are available, part of the annual payment. To the extent agency revenues are unavailable or are used for other projects, the General Fund will make the payment. It is likely that the General Fund will pay the majority of the annual payment.
- The payment is roughly 0 to 3 percent of the city’s annual General Fund revenue. Historically, the city has spent 5-6 percent of its annual General Fund budget on capital projects.

III. Forest City/ LiveWork Projects

- Forest City is under contract to develop a 1,000-room hotel-casino on Parcel P-Q (the northern end) of Symphony Park.
- Forest City also is under contract to develop a multi-phase office and retail development comprising 1.3 million-square-feet of development. The Redevelopment Agency is providing a tax increment financing (TIF) rebate for this project, which amounts to rebating 60 percent of property taxes paid by Forest City for the project.
- The RDA does not pay the TIF rebate unless Forest City performs by building the office project; therefore, the developer receives no up-front cash benefit from the city.
- All of Forest City’s private development is being funded with private funding.
- Forest City’s private development is projected to create 6,068 permanent jobs, and to create \$8 million in annual TIF revenue to the RDA, which can be used to stimulate additional private investment and create additional jobs.